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October 6, 2003

P.O. Box 358145 Wireline Competition Bureau -- CPD -- 214 Applications Federal Communications Commission

Pittsburgh, PA 15251-5145

Application for Consent to Transfer Control Of An Entity Holding Blanket Denton Telecom Partners I, L.P. Re:

Domestic Section 214 Authority

To the Commission:

are appended. (Remittance Advice) and a check in the amount of \$860 to cover the filing fee for this application filing an original and five (5) copies of their request for Special Temporary Authority. Form 159 Grande Communications, Inc. and Denton Telecom Partners I, L.P. hereby submit for

and return it to the delivering courier. Enclosed as well is a duplicate of this filing. Please date-stamp the duplicate upon receipt

(703) 918-2320. Thank you in advance for your assistance. If there are any questions regarding this application, please do not hesitate to call me at

Sincerely,

Joan M. Griffin Gyran

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October 6, 2003

BY HAND

Federal Communications Commission Wireline Competition Bureau -- CPD -- 214 Applications P.O. Box 358145 Pittsburgh, PA 15251-5145

Marlene H. Dortch Secretary Federal Communications Commission c/o Vistronix, Inc. 236 Massachusetts Avenue, N.E. Suite 110 Washington, DC 20002

Re:

Denton Telecom Partners I, L.P.

Application for Consent to Transfer Control Of An Entity Holding Blanket

Domestic Section 214 Authority

Dear Ms. Dortch:

Grande Communications, Inc. ("Grande") and Denton Telecom Partners I, L.P. ("DTP") ("Grande" and "DTP," the "Parties"), by their attorneys and pursuant to Section 214 of the Communications Act of 1934, as amended, 47 U.S.C. § 214, and Section 63.25 of the Commission's Rules, 47 C.F.R. § 63.25, hereby request Special Temporary Authority (an "STA") to consummate the transfer of control of DTP as described in the attached application for transfer of control (filed September 30, 2003) ("Application"). The Parties respectfully request that the Commission grant this STA request to be effective no later than 1) the day after the date on which comments are due on the Application, or 2) the day after the date on which the

Federal Communications Commission Marlene H. Dortch October 6, 2003 Page Two

Commission grants the Parties' application for consent to transfer control of DTP as a holder of international Section 214 authority (also filed September 30, 2003), whichever occurs first. In support of this application, the following information is provided.

DTP is a facilities-based CLEC. It currently provides new broadband construction-based cable TV, local and interexchange telephony services, and Internet access services to primarily residential as well as commercial customers in the Dallas-Fort Worth area. Grande, through its affiliates, is also a facilities-based CLEC. Grande provides new broadband construction-based cable TV, local and interexchange telephony services, and Internet access services to primarily residential as well as commercial customers in various communities in Texas, plus wholesale telecommunications and Internet services to national and competitive telecommunications companies.

On August 27, 2003, the Parties executed a purchase agreement whereby Grande agreed to purchase all of the membership interests of Denton Telecom Holdings I, L.L.C, the sole holder of the general partnership interests in DTP, and Denton Telecom Investors I, L.L.C, owner of all limited partnership interests in DTP, thereby assuming ownership and control of DTP. Grande advises that while it was initially Grande's intention to fund the transaction solely through debt financing, Grande's attempts to secure sufficient financing were not successful. Per Grande, from the spring through early September, Grande negotiated with two separate institutions in an effort to secure debt financing for the acquisition. Each institution ultimately withdrew from negotiations. As a result, Grande states that it now plans to fund the transaction through the issuance of new equity to certain existing shareholders which, in turn, is a predicate for gaining the requisite approval of Grande's existing lenders for this acquisition. Per Grande, a key assumption supporting the financial analysis leading to these debt and equity arrangements is that Grande's acquisition of DTP close by mid October 2003.

Grant of this STA request would serve the public interest, as it will ensure that Grande is able to complete its purchase of DTP. The public interest is served by facilitating the development of all facilities-based, privately financed competitive broadband to the curb and to the home networks. If Grande is successful in its effort to acquire DTP, the synergies the Parties anticipate will be achieved will strengthen both companies. As such, this transaction will ultimately enhance the companies' ability to provide high-quality broadband communications services to Texas residential consumers and business entities. In a time when the CLEC industry struggles to achieve the financing necessary to permit the expansion of true facilities-based broadband networks to serve primarily residential customers, Grande's acquisition of DTP will ensure that two completely facilities-based competitive carriers serving residential customers thrive in the marketplace.

Federal Communications Commission Marlene H. Dortch October 6, 2003 Page Three

If the Parties are not allowed to complete the proposed transaction by mid October, Grande advises that serious new hurdles to closing will be created. As noted previously, Grande states that the terms of its debt and equity financing arrangements are predicated on financial assumptions keyed to Grande closing on its purchase of DTP by mid October. The financial markets for competitive broadband service providers such as Grande and DTP remains extremely challenging. If Grande loses its current funding arrangements and, thus, cannot obtain financing and purchase DTP, the benefits to be achieved by the combination of the Parties will be lost. Grande believes that its continued success in the competitive services market is dependent upon this transaction, and that the failure to close this transaction may have serious financial consequences to Grande.

At the same time, no harm to the public will come from the grant of this STA request. As noted above, the Parties request that the Commission grant this request to be effective no later than 1) the day after the date on which comments are due on the Application, or 2) the day after the date on which the Commission grants the Parties' application for consent to transfer control of DTP as a holder of international Section 214 authority, whichever occurs first. As such, the Commission will have time to consider the transaction before the STA becomes effective, and interested parties will have the opportunity to express their views on the application. At the point at which the STA would become effective, the Commission will know what (if any) issues are presented by the transaction. Any public interest benefit to be obtained by making the Parties wait an additional two weeks for the automatic grant of the Application (per Grande, assuming the transaction can even be funded and closed at that point) would appear to be greatly outweighed by the public and private harm that may ensue if the deal collapses.

Federal Communications Commission Marlene H. Dortch October 6, 2003 Page Four

The Parties acknowledge that any grant of this STA request is without prejudice to the Commission's final action on the Application. Please contact the undersigned counsel if there are any questions regarding this request.

Sincerely,

GRANDE COMMUNICATIONS, INC.

Brad E. Mutschelknaus
Joan M. Griffin

Kelley Drye & Warren LLP 1200-19th Street NW, Suite 500 Washington, D.C. 20036

(202) 955-9600

DENTON TELECOM PARTNERS I, L.P.

Terry Falls, Vice President and Chief Operating Officer

William Dever cc: Julie Veatch

Federal Communications Commission Marlene H. Dortch October 6, 2003 Page Four

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Sincerely,

GRANDE COMMUNICATIONS, INC.

Ву:

Brad E. Mutschelknaus Joan M. Griffin Kelley Drye & Warren LLP 1200-19th Street NW, Suite 500 Washington, D.C. 20036 (202) 955-9600

DENTON TELECOM PARTNERS I, L.P.

Bv:

Terry Falls, Vice President and Chief

Operating Officer

cc: William Dever

Julie Veatch

FEDERAL COMMUNICATIONS COMMISSION REMITTANCE ADVICE

Approved by OMB 3060-0589 Page 1_ a_1

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